

3 THE ACQUISITION PROCESS

3.1 Seeing the Whole Picture

The acquisition process is much more than simply buying something. It includes all activities from planning, preparation and processing of a requisition, solicitation, evaluation, award and contract formation, to receipt and acceptance of delivery, payment, inventory tracking and property disposition. Regardless of whether the product or service required is processed by the agency under delegated authority or sent to the Division of Purchasing for processing, the workflow is essentially the same. Here are some things that need to be considered when making any purchase:

- Identifying the need and product or service that will best fulfill that need. Keeping in mind cost containment, what is the product or service that that best fulfills the job requirements? This may require that the agency purchasing personnel meet with end user(s) to identify needs and solutions.
- Development of specifications that describe the characteristics of a product or service being sought. Consideration should be given to suitability and to overall cost effectiveness in addition to acceptability and initial price. Specifications by their nature, set limits and thereby eliminate or restrict items that are outside the boundaries drawn. Specifications should be written to encourage, not discourage, competition consistent with seeking overall economy for the purpose intended. The goal is to invite maximum reasonable competition.
- Bidding or seeking price quotations from a number of possible suppliers as per the rules established by the Division of Purchasing and your agency.
- Reviewing the bids or offers to determine overall economy for the intended use of the product or scope of the services. The award should always go to the lowest responsive bidder who meets the specifications of the product or services you requested.
- Purchasing or contracting for the product or service in accordance with the rules of the Division of Purchasing and your agency.
- Receiving the product or service and verifying that it meets the requirements of the purchase order or contract.
- Processing the invoice through appropriate channels in a timely manner.

- Adding the item to the inventory system if necessary. *Idaho Code 67-5746* requires that all agencies maintain an inventory of all personal property that an agency owns or is responsible for.
- Disposal of item at the end of its usable lifespan or after it has been declared surplus property. Detailed instructions for surplus property disposal are published by the State Board of Examiners.
- Keeping good records that detail all of the above considerations as required by Idaho Code, Division of Purchasing Rules, and individual agencies. Public purchasing requires that most records be made available for public inspection upon request, so good detailed record keeping is essential.

3.2 Purchasing and Procurement Methods

3.2.1 Purchasing

Acquisition of property is divided into three major types of purchasing:

State Contracts. Contracts for property and/or services established and administered by Division on behalf of agencies. The contract document will identify the condition(s) under which usage by agencies is required.

Single Acquisitions. Acquisition of property for which an agency does not have statutory authority, non-delegated authority or for which there is no existing state contract. Single acquisitions must be initiated by submitting a requisition to the Division. If a proprietary item is required, the agency must attach adequate justification.

Small Purchases or Special Delegation. The Division, or Purchasing Activity pursuant to written delegation of authority, may acquire property which costs less than the sealed bid amount established by *IDAPA Rule 38.05.01.44*. A special delegation is a special delegation to a buyer within an agency to make a single acquisition of property. All small purchases and special delegations must be made in accordance with the small purchase rules.

3.2.2 Procurement

Procurement is defined as the process of obtaining property for state use by lease, rent, or any manner other than by purchase or gift. The term may also refer to a proposed or actual solicitation.

3.3 Public Agency Clause

Many statewide and single agency contracts allow “public agencies” to utilize these contracts by statute and the terms of the state contract. Public agencies are defined in *Idaho Code 67-2327* as any city or political subdivision of this state, including, but not limited to counties; school districts; highway districts; port authorities; instrumentalities of counties, cities or any political subdivision created under the laws of the state of Idaho; any agency of the state government; or any city or political subdivision of another state.